School Grant Simplification and Deregulation

Finance and Administration Division

Alberta
EDUCATION

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SCHOOL GRANT SIMPLIFICATION AND DEREGULATION

REPORT OF THE SCHOOL GRANT SIMPLIFICATION AND DEREGULATION PROJECT

ALBERTA EDUCATION

MAY 1984

Further information about this report
may be obtained from:

Financial and Administrative Services
Alberta Education
Devonian Building
11160 - Jasper Avenue
EDMONTON, Alberta
T5K 0L2

Telephone: (403) 427-2051

May 15, 1984

Honourable David King
Minister of Education
319 Legislative Building
EDMONTON, Alberta
T5K 2B6

Dear Mr. King:

RE: Report of the School Grant Simplification and Deregulation Project

On behalf of the Steering Committee of the School Grant Simplification and Deregulation Project, I am pleased to provide you with its final report. The report is the culmination of two years of research, consultations, and deliberations on a variety of issues relating to the simplification and deregulation of the school grants program and processing system in Alberta.

The first phase of the Project resulted in recommendations for coalescing or combining existing school grants as a preliminary step towards simplification. These recommendations were also presented and included in the final report of the Minister's Task Force on School Finance. The second phase went beyond coalescence by recommending alternatives or options for simplifying and deregulating the grants program and processing system. Finally, the third phase made recommendations for an ongoing process for developing prospective new grants and for reviewing existing school grants.

The existing school grants program and processing system were found to be sound structures, but required some fine-tuning and improvements. Subsequently, the recommendations developed by the Project Steering Committee are directed toward the simplification and deregulation of the grants program and processing system, as well as improvement of the efficiency, effectiveness, and public accessibility to Departmental services.

I am confident you will find the report and the views of the Project Steering Committee of considerable value and assistance to you.

On behalf of the Steering Committee for the School Grant Simplification and Deregulation Project, I would like to express our appreciation for the opportunity to examine and to address issues of such importance to Alberta's school finance program.

Sincerely,

Bill Duke
Chairman
The School Grant Simplification
and Deregulation Project

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FOREWORD

The School Grant Simplification and Deregulation Project became the first concerted effort by Alberta Education, in cooperation with the Association of School Business Officials of Alberta, to review the total school grants program and processing system with a view to simplification and deregulation. Closely associated with this project are other related Departmental initiatives: the Minister's Task Force on School Finance; Alberta Education's reorganization; delegation of authority and responsibility; program deregulation; and the School Act Review.

In this report, the Project Steering Committee presents its findings, conclusions, and recommendations to the Minister of Education regarding the simplification and deregulation of the grants program and processing system. These conclusions and recommendations reflect the best judgements of the Project Steering Committee after careful review and consideration of the research findings of the Project's three phases.

ACKNOWLEDGEMENTS

The support, assistance and advice of many persons are reflected in this final report. The Project Steering Committee wishes to acknowledge the valued contributions of school business officials throughout Alberta and the valued assistance of personnel within Alberta Education.

The contributions and support of the executive of the Association of School Business Officials of Alberta, as well as the many school business officials who participated in regional workshops, are sincerely appreciated. Special thanks and acknowledgements are extended to **John Myroon, Jack Clarke, Gary Baron, Penny Clark, Ken Bissoondatt** and their able staff in Financial and Administrative Services for the many long hours of assistance and support. To **Neil Gannon** and all the Field Administrative Officers of School Business Administration Services, sincere appreciation for the consultation and advice provided.

To the many others in Alberta Education, too numerous to mention, your assistance and contributions are appreciated in the completion of the Project. Specifically, the contributions of the following persons are recognized: **Leigh Hill, Collins Meek** and the staff of Planning Services; **Heleen MacLeod, Terry Mott, John Bacon, Harvey Finnestad, Ken McKie** and the staff in Special Education Services; and **Scotty Day** and **Dick Cunningham** in regard to Vocational Education.

A special debt and gratitute goes to **Elsie Warawa** and **Anna Di Natale** for the many hours of typing, retyping and assistance throughout the total Project. Thanks are also extended to the word processing operators, **Brenda Bratt, Ramona Pfenning, Linda Antunes,** and **Alva Shewchuk,** as well as **Linda Wells** for the many hours of photocopying.

Finally, the Project Steering Committee recognizes and acknowledges the highly valued contributions of **Kelvin Hussey** and **Tom Milne** whose dedication and commitment were key factors in the overall successful completion and conclusion of the School Grant Simplification and Deregulation Project. A special note of thanks is extended to **Irv Hastings** and Planning Services for the funding to make this Project a success.

It is hoped that the outcome of this Project will provide some compensation to all these people for the time which they sacrificed in the midst of heavy work schedules.

I. INTRODUCTION

BACKGROUND

In Alberta, as elsewhere in North America, there is growing concern about over-regulation by all levels of government. Although much of the regulation has been the result of public demand, there exists a commonly-held belief that society has become too legalistic and too regulatory. Government in particular has been considered responsible for imposing unacceptable levels of regulatory control upon the private sector.

Alberta Education has periodically reviewed its school finance plan on an "as needed" basis and primarily when new grants were developed and implemented. Until recent initiatives, however, the Department has not reviewed the existing school grants program and processing system with the objective of simplification. During the latter part of 1981, Alberta Education undertook several initiatives with the objectives of simplification and deregulation to achieve greater efficiency and effectiveness and to improve public access to departmental services.

MANDATE OF THE SCHOOL GRANT SIMPLIFICATION AND DEREGULATION PROJECT

The School Grant Simplification and Deregulation Project was established during the latter part of 1981 as a joint initiative of Alberta Education and the Association of School Business Officials of Alberta. The Project's mandate, as described in the Terms of Reference (See Appendix A), was to achieve simplification and deregulation of the school grants program and processing system. The three phases of the Project were described as follows:

1. The first phase was a study to examine the feasibility and desirability of coalescing or combining similar existing school grants.

2. The second phase was a review of the existing grants processing system to recommend alternative methods or options for the simplification and deregulation of the processing system.

3. The third phase was a review of Alberta Education's procedures through which proposals for new school grants were developed and implemented. The objective was to develop and recommend an ongoing process for the development of prospective new grants and for the review of existing grants. Additionally, the third phase examined the possibilities for deregulation and the replacement of existing regulations with administrative policies, guidelines, and procedures.

RELATED DEPARTMENTAL INITIATIVES

A review of Alberta Education's school grants program and processing system must take place in concert with other ongoing initiatives and activities within the Department. These initiatives include: the Minister's Task Force on School Finance, Alberta Education's reorganization, delegation of authority and responsibility, program deregulation, grants and claims computer subsystem, and the School Act Review.

The Minister's Task Force on School Finance

The Minister's Task Force on School Finance was established in June, 1981 to study Alberta Education's school finance plan to recommend improvements in the ways and means of funding the education system, and to consider alternatives to the current school finance arrangements. On September 15, 1983, Education Minister, David King, released the final report of the Task Force.

Generally, the report endorsed the current structure for financing Alberta's education system. It did suggest, however, some improvements to the current plan through increased provincial funding.

The Task Force recommendations included: increasing the provincial share of total schooling costs to 85%; providing equitable distribution of tax assessment; revising the per pupil weighting factors in the School Foundation Program Fund instructional grants; and maintaining the current transportation grants formula through increased funding and efficiency measures.

Other recommendations related to special education funding, industrial and business education funding, funding for small schools and small jurisdictions, and declining enrolment grants. The Task Force also made recommendations for simplifying grants and for further study of issues such as population density, language immersion programs, and early childhood services.

The recommendations of the **Coalescence of Grants Study**, which were developed during the first phase of the School Grant Simplification and Deregulation Project, were presented to the Task Force membership. These recommendations were accepted by the Task Force and, with the exception of the recommendation to delete the Intern Teacher Grant, were incorporated as part of the Task Force's recommendations.

Alberta Education's Reorganization

Early in 1982, the newly appointed Deputy Minister, Reno Bosetti, initiated a review of the Department's structure and organization with the objectives of improving its efficiency and effectiveness, and of improving public access to its services. Additionally, reorganization promoted the decentralization and the simplification of decision-making and operations to administrative levels closer to the levels where services are delivered.

A task force was established, as part of the reorganization plan, to detail plans for the implementation of the decision-making and tactical planning processes and procedures. The task force examined and made recommendations relating to the decentralization, delegation of authority, deregulation, and the planning associated with personnel management, financial management, information management, and program management.

Delegation of Authority and Responsibility

Alberta Education undertook primary responsibility for a major review of the School Foundation Program Fund Regulations and the Alberta Education Grants Order to identify areas where delegation of authority could occur, and to identify appropriate accountability mechanisms for those area recommended for delegation and decentralization within the Department.

It was decided that the authority system within the Department should be delegated and decentralized, and that decisions should be made at the most appropriate level of the organization relative to efficiency and effectiveness. With a view to achieving this overall objective, the review operationalized the principle of subsidiarity: to place the authority necessary to make decisions as close as possible to the operational or functional level. The delegation and decentralization which occured, placed greater responsibility and accountability at the lowest level of decision-making possible, namely the operational or functional unit.

Program Deregulation (Regulatory Review)

Alberta Education's program deregulation initiative was an internal project established for the purpose of achieving program simplification through the study of alternative methods of program specification, approval, and processing procedures. The general objectives of the initiative were to achieve program deregulation and decentralization in order to simplify public access to departmental services.

An example of Alberta Education's efforts in the area of program deregulation was the recent review of the School Buildings Regulations. It was concluded that deregulation could occur with respect to these regulations, and that deregulation be implemented as part of the proposed 1984-88 school capital plan to become effective January 1, 1984.

Alberta Education's effort in the area of deregulation are part of government's move towards the reduction and simplification of regulations. During the May 19, 1982, meeting of the Social Planning Committee of Cabinet, the following summary of points were raised during the discussions:

1. The primary consideration should be new or future regulations and/or forms. Individual Ministers and the Cabinet committees should be vigilant in ensuring that we do not overregulate and overcomplicate our forms.

2. With respect to regulations now in place, a review should be undertaken by individual Ministers of the legislation and regulations within their departments rather than by a Cabinet committee.

3. Forms should be simplified so that only the critical information is requested and that we eliminate the "nice to know" request for information.

4. Ministers should also review the form letters that are sent out to the public by their respective departments to ensure that they are not objectionable.

5. Concern was expressed that Ministers and departments are overly sensitive to the demands of the Auditor General and the Ombudsman and immediately react by creating new regulations. Perhaps more questions should be asked before implementing procedures to see if from a public point of view these can be simplified.

Grants and Claims Computer Subsystem

In 1977, Alberta Education initiated the development of an integrated Management Information System called EDIS (Education Information System) which includes a grant and claims subsystem. In terms of providing an effective information base for management, statistical and ad hoc reporting, the majority of the users preferred using manual source data because of concern over the quality of the EDIS grants and claims automated data bases. Consequently, there was a definite need for the grants and claims subsystem to become a more closely linked and integral part of the global EDIS data base.

As a result of this need, Alberta Education initiated a project to develop a grants and claims information processing subsystem that would have a significant external focus and would yield benefits to grant recipients and Alberta Education. The following benefits are expected to be realized as a result of the proposed computer system: improved service to grant recipients; improved financial and budgetary control and reporting; improved availability of audit confirmations for jurisdictions; improved forecasting and modelling capabilities; improved efficiency in claim examination and payment processing; and improved efficiency, productivity, control, and reporting capabilities.

Additionally, the proposed grants and claims subsystem would facilitate and support the School Grant Simplification and Deregulation Project. The proposed subsystem would complement the Project by increasing the flexibility and expandability of the current system. The full automation of the payment process for grant types that require no claim input would simplify and improve grants processing.

School Act Review

The School Act Review process will involve a major review of the School Act that may result in changes or revisions to the Act which may be compatible with the Department's efforts in the area of regulatory reform. Additionally, the prospective review will assist in the other departmental efforts directed toward simplification, deregulation, and decentralization.

II. COALESCENCE OF GRANTS

BACKGROUND

The Minister's Task Force on School Finance, at its October 29, 1981 meeting, discussed a proposal for a coalescence of grants study. In resolving the issues of whether the study would be conducted and by whom, the Task Force passed the following motion:

> That the Task Force request the steering committee for the School Grant Simplification and Deregulation Project to reconsider the project timelines so that the study as it relates to coalescence will be completed in June 1982 for consideration by the Task Force.

The Steering Committee for the School Grant Simplification and Deregulation Project reviewed the study's terms of reference and established a steering committee to manage the study. The Project Steering Committee, at its June 18, 1982 meeting, reviewed and revised the final report of the study which was presented to the Minister's Task Force.

PURPOSE

The purpose of the Coalescence of Grants Study was to examine the feasibility and desirability of reducing the number and complexity of grants under the Alberta Education Grants Order (AEGO) through coalescence or combining with the School Foundation Program Fund (SFPF) per pupil instruction grants.

There were two main components of Alberta's school finance plan which were addressed: the SFPF grants concerning general or basic support; and the AEGO grants providing support for special programs and support differentiation or equalization.

FINDINGS

The current finance plan for education was found to be a complex, regulatory-based funding system. It was concluded that coalescence be achieved within the broad conceptualization of the "ends" of education and the finance plan. The primary "end" was perceived as one of fiscal support for the system and, where a common basis existed, it was concluded that coalescence may and should occur.

Coalescence, as a desired end, was an acceptable goal which has received the support of those with an interest and involvement in education. Apart from informal discussions, the following summary highlights the historical situation as it relates to coalescence.

1. The 1972 Minister's Advisory Committee on School Finance recommended that payments in support of special education be made through the School Foundation Program Fund and that the Fund include a sparsity payment. It was also noted that compensatory and vocational funding could also be handled through the SFPF.

2. The 1975 Minister's Advisory Committee on School Finance recommended that the Reading Materials Grant and the Canada Pension Plan allowance be coalesced with SFPF instruction grants. It also recommended that the Intern Teacher and Establishment be phased out.

3. The 1978 survey by the School Trustees' Association indicated support for coalescing or combining the administration grant (Part C - SFPF), Extension Programs, Reading Materials, Canada Pension Plan, and Educational Opportunities Fund with the SFPF instruction grants.

Supplementary support to achieve a "fine tuning" of the finance plan resulted in a proliferation of grants. The AEGO grants increased from ten in 1970 to fifty-one specific grant types in 1980, including twenty-four broad grant categories. The SFPF grants, on the other hand, remained relatively constant with four areas of support: instruction, transportation, administration, and debt retirement.

Close examination of existing grants revealed that the grants could be classified on the basis of commonality with respect to the focus of support, purpose or intended outcome, and the basis of payment. These categories of commonality were described as follows:

1. **Focus of Support**

   - School Foundation Program Fund support
   - Support for special programs
   - Support differentiation (fiscal equalization)
   - Miscellaneous

2. **Purpose or Intended Outcome**

   - Instruction/program costs
   - Special programs/projects
   - Support programs/projects
   - Support differentiation
   - Compensatory
   - Ancillary

3. **Basis of Payment**

   - Per Pupil/unit
   - Per Pupil/unspecified rate
   - Formula
   - Costs (total)
   - Miscellaneous

CONCLUSIONS

A number of viable options were available to Alberta Education in the matter of grants coalescence. The options were not limited to coalescence of the AEGO grants with the SFPF grants, but included other alternatives such as deletion, termination, and coalescence of AEGO grants with other AEGO grants.

The findings of the study indicated that the following options were feasible and desirable:

1. **Coalescence with SFPF Grants**

   - Canada Pension Plan Allowance
   - Reading Materials
   - Extension Programs (partial)
   - Educational Opportunities Fund (elementary and junior high)
   - Learning Disabilities Fund

2. **Deletion**

   - Intern Teacher Grant
   - Establishment Grant
   - Vocational Program (partial-Section 10(3))

3. **Termination (Phase-Out)**

   - Corporate Assessment

4. **Coalescence with Other AEGO Grants**

   - Special Education
   - Location Allowance/Teaching Housing Unit

Apart from the specific areas for coalescence, the study indicated that coalescence of Early Childhood Services (ECS) support with the SFPF was possible. This option, however, was not examined in light of the policy considerations and decisions required. It was recommended that a separate study be conducted to examine not only coalescence, but also the economic and policy considerations.

Coalescence had certain implications for the SFPF per pupil grant weighting factors. For the purpose of the study, the weighting factors were either ignored or redefined in light of the variations in the levels of support provided by grants recommended for coalescence. Also, coalescence had implications for the relationship of funding levels between SFPF grants and support for private schools and ECS. It was concluded that a redefinition of weighting factors and the relationship of funding levels was required.

RECOMMENDATIONS

On the basis of its findings and conclusions, the Project Steering Committee recommended that:

1. Alberta Education initiate a research study to examine the feasibility, desirability, and implications of coalescing Early Childhood Services support with the School Foundation Program Fund (Task Force Recommendation 16).

2. The Corporate Assessment Grant be allowed to terminate within the context of current policy (Task Force Recommendation 17(e)).

   NOTE: From 1980 to 1984 the province was to provide funding to public school jurisdictions to ease the decrease in amounts received from undeclared corporate assessment. Since 1980, separate school jurisdictions receive a share of undeclared corporate assessment on the basis of the number of pupils they serve.

3. Intern Teachers Grants, Establishment Grants, and the Vocational Education option grant (Section 10(3)) be discontinued (Task Force Recommendation 17(f)).

   NOTE: The Task Force excluded the Intern Teacher Grants in its recommendation. The discontinuance of the optional grant does not affect regular Vocational Education grants in any way. It merely eliminates an optional grant claiming process.

4. Canada Pension Plan allowances and Reading Materials Grants be coalesced with SFPF instruction grants (Task Force Recommendation 17(a)).

5. For the purpose of day-extension grants, students under the age of 21 be considered as pupils under the SFPF (Task Force Recommendation 17(g)).

6. Grants in support of Special Education Teaching Positions and Program Units be coalesced into a three level common per pupil grant formulation; this does not imply a reduced funding level (Task Force Recommendation 1).

7. The Educational Opportunites Fund (elementary and junior high components) be coalesced with the SFPF (Task Force Recommendation 17(d)).

   NOTE: The compensatory component of the Educational Opportunities Fund would continue separately. This component provides assistance to jurisdictions having a number of pupils who have special cultural or economic needs.

8. The Teaching Housing Unit Grant be coalesced with the Location Allowance (Task Force Recommendation 17(h)).

   NOTE: Jurisdictions receiving location allowances (which cover costs to school boards for placing a teacher in a remote or isolated area) are also eligible for Teacher Housing Unit Grants. The Location Allowance will have to continue separately for those instances where no Teacher Housing Unit Grant is involved but a teacher receives a location allowance.

9. The Learning Disabilities Fund be coalesced with the SFPF. Implementation of this recommendation does not imply a reduction in funding or support for this program (Task Force Recommendation 17(b)).

   NOTE: The Task Force recommended that the Learning Disabilities Fund be combined with either the proposed special education per pupil grants (Recommendation 1), or with the SFPF grants, whichever is deemed more advisable.

10. Should any grants be coalesced with the SFPF grants, the per pupil grant weighting factors under the SFPF be redefined (Task Force Recommendation 10).

The Task Force recommended (Recommendation 17(c)) that the 3% Administration Support grant in the SFPF be combined with the other SFPF grants.

III. REVIEW OF GRANTS PROCESSING SYSTEM

BACKGROUND

The Task Force on School Finance was interested in developing a school finance plan which conformed to the principles of equal opportunities for schooling, financial equity, and local autonomy. The finance plan should also be simple and efficient which may be achieved by keeping the number of grants to a minimum. Additionally, simplicity and efficiency may be achieved by avoiding duplication of purpose and excessive regulatory control over the administration and distribution of funds.

The Task Force examined whether it would be feasible and desirable to reduce the number and complexity of existing grants through coalescence. Any move towards simplification should be made only if the purposes of the original grants could still be fulfilled. Changes would be intended merely to simplify procedures and not to reduce funding levels.

The Coalescence of Grants Study was the initial phase or step towards grant simplification and deregulation. The second phase within this process involved a complete examination of the grants program and processing system to determine other alternatives or options for simplification and deregulation beyond coalescence.

PURPOSE

The second phase of the School Grant Simplification and Deregulation Project was a study to review the present grants processing system. The purpose of the study was formally defined as a review of the present processing system with a view to recommending alternatives for simplification and deregulation.

A review of the grants structure was undertaken to develop options or alternatives for simplifying the grants processing system for prospective deregulation. The proposed alternatives, together with the recommendations of the Coalescence of Grants Study, were presented to school business officials for consideration and reaction. The findings and recommendations presented in this report are based primarily upon the conclusions drawn from an internal review and the completed survey returns collected at zone meetings.

FINDINGS AND CONCLUSIONS

Prospective implementation of recommendations presented in this report would result in substantial reductions in information reporting required for claiming grants. Additionally, many of the recommendations, if implemented, would result in savings in administrative time both internally and externally. Administrative time, thus saved, would result in either direct savings or possible reallocation of savings to effect improved utilization.

Several of the recommendations also implied increased costs to Alberta Education and the provincial government. Given the current economic constraints, it was assumed that additional costs could be effectively reduced by adjustments to either the grant rates or the funding limits where these currently exist.

Finally, several of the recommendations for simplification would result in reductions in claim form information requirements. In order to maintain an acceptable degree of accountability, such reductions in information requirements would require a greater emphasis upon post-audit verification of claim form information. Implicit in this recommendation is that the accountability mechanism would shift from a pre-audit approach to a post-audit function. Additionally, simplification of the grants program and processing system requires simplification of the current complex regulations. This level of simplification would entail deregulation which is a process of replacing the current regulations with administrative policies, guidelines and procedures. The process would also include a definition and specification of information requirements and accountability mechanisms.

RECOMMENDATIONS

After reviewing the study's findings and conclusions, the Project Steering Committee recommended the following alternatives or options for simplification of the grants program and processing system.

1. **Reimbursement for Transportation Allowances Paid to Agent (SFPF, Part B, Section 7 (1))**

   The SFPF Regulations, Part B, Section 7(1) should be revised so that the claim may be based on the number of pupils transported multiplied by a daily route for each instructional day for which transportation is provided.

2. **Reimbursement for Allowances in Lieu of Regular Transportation Paid to Parent or Guardian (SFPF, Part B, Sections 7(2) and 7(3)(b))**

   The reimbursement for allowances in lieu of regular transportation paid to parent or guardian should be coalesced with the reimbursement for allowances in lieu of transportation paid to agent. Also, the weekend transportation grant sub-category should be claimed under the maintenance allowance paid to parent or guardian.

3. **Reimbursement for Transportation Allowances Paid under Contract to Parent or Guardian (SFPF, Part B, Section 8)**

   The claim for reimbursement for transportation allowances paid under contract to parent or guardian should be modified so that the grant may be claimed and paid on the basis of the lesser of actual costs and a specified rate without listing the names of pupils transported.

4. **General - Allowances in Lieu of Transportation**

   The present system of claim forms that are separate from the Audited Financial Statement should continue for the "Allowances in Lieu of Transportation" grant categories.

5. Rural Transportation (SFPF, Part B, Sections 4 and 5)

The grant allocation for inclement weather days in the rural transportation grant category (SFPF, Part B, Section 4(2)(a)) should be deleted, and inclement weather days during which buses may not start or complete regularly-scheduled runs should be considered as normal transportation operating days.

6. Special Education Funding

A four-level funding mechanism for Special Education programs, ECS to Grade XII, should be introduced to replace the current Special Education Teaching Position funding method.

7. Special Education Program Unit Approval

Placement of pupils in Special Education Program Units should be approved at the school board level where jurisdictions have access to personnel providing pupil assessment services. Where jurisdictions do not have access to personnel, Alberta Education should approve the placement of pupils in program units.

8. Special Education Program Unit Grant

All program units in a jurisdiction should be treated as one for the purpose of claiming grant-eligible costs and for allocating funding at the jurisdictional level. Eligible expenditure limits for materials and special equipment should be maintained as an aggregate of the limits for the individually-approved units. Also, the deduction of the SFPF per pupil grant for each pupil in a program unit should be discontinued.

9. Special Education Day Extension Program Claims

The Special Education Day Extension Program claim form should be revised to report pupil enrolment in the program and the grant entitlement.

10. Day and Evening Extension Program

The present regulatory provisions for Day and Evening Extension Program Grants should be revised to enable claiming of Extension Program Grants on the basis of enrolments, credit values, and hours of instruction by course.

11. Vocational Education

Vocational Education funding should be extended to all Grade X-level vocational education courses based on a rate per credit enrolment unit (C.E.U.) equivalent to 50% of the C.E.U. rate for Grade XI and XII - level courses, and the claim form should be revised to report enrolments and credit values per course rather than credits per pupil.

12 Location Allowance/Teacher Housing Unit Grant

a) The basis upon which the Location Allowance is calculated should be changed from percentage increases of previous year's entitlement to dollar amounts per teacher and per isolation "point" where applicable.

b) The Location Allowance claim form should be revised to report: name of school, number of teaching positions at the school, points for each teaching position, and number of occupied housing units at each school. Also, submission of cost information should be required on a periodic basis only.

c) The Teacher Housing Unit Grant should be based on a fixed percentage per housing unit for the school for example, 40% of the Location Allowance rate.

13. Special Education Out-of-Province

The present claim form for Special Education Out-of-Province grants should be revised to report the following for each pupil: name of school, name of pupil, number of months attended, total instruction and maintenance expenses, total travel expenses, and total costs claimed. Also, consideration should be given to reducing the volume of supporting documentation.

14. Interdepartmental Community School Grant

The Interdepartmental Community School grant should be claimed through a process which would allow a board to treat all community schools in its jurisdiction as if they were one community school.

15. Educational Opportunities Fund - Compensatory Component

The present claiming process for EOF compensatory projects should be retained, and program and budgetary approval should be based on a school board fiscal year.

16. Grant Adjustments (Overpayments and Underpayments)

Grant adjustments, both overpayments and underpayments, amounting to less than $50 should not be claimed, processed, or paid by either Alberta Education or school jurisidictions.

17. Fiscal Year of School Boards

Consideration should be given in the prospective School Act Review and the County Act Review to a change, in the present school board fiscal year, from a January to December period to a period which coincides more closely to the school program year.

18. Direct Deposit of SFPF Payments to Boards

SFPF payments to school boards should be transferred through a direct deposit system.

19. Reading Materials Grant to Category 1 Private Schools

The reading materials grant to Category 1 private schools (AEGO, Section 22(2)) should be coalesced with the Category 1 private schools instructional grant (AEGO, Section 22(1)).

20. Eligibility Language Program under the Small School Assistance Grant

The eligibility of language programs as individual small schools under the provisions of the small school assistance grant (AEGO, Section 38(1)(e)(i)(a)(b)) should be discontinued.

21. Administration Grant (SFPF, Part C, Section 15)

The administration grant should be coalesced with each of the SFPF grant categories in which it now occurs through an adjustment of the rates. Where the entitlement is based on the lesser of actual costs and a specified rate, calculation of the actual costs should include an additional 3% to reflect the administration grant.

22. Supplementary Requisition Equalization Grant (SREG)

An additional form should be included with the SREG submission to assist boards in reconciling resident pupil enrolments where pupils resident in one jurisdiction are educated in another.

23. Pupil Transportation in Vehicles Other than School Buses (SFPF, Part B, Section 9)

The present claim form should be modified to report: number of grant-eligible pupils transported, number of ineligible passengers, number of families from which eligible passengers are transported per vehicle, route eligible distance per route, number of transportation days per vehicle, the grant per day per vehicle, and the total grant claimed per vehicle.

24. Assessment and Review Mechanism

An assessment and review mechanism should be developed for the purposes of periodically reviewing existing grants, and of an ongoing examination of proposals for new grants by Alberta Education and referent groups.

25. Review of Audited Financial Statement and Program Accounting Budgeting

Upon implementation of the other recommendations, a review of the current Audited Financial Statement and the Program Accounting Budgeting System, as well as post-audit requirements, should be conducted with the objectives of defining and specifying the information requirements and accountability mechanisms, and of improving and simplifying the information reporting and accountability mechanisms such as post-audit.

26. Regulation Review

The sections of the School Act and all regulations governing the grants program and processing system should be reviewed and revised where feasible. The objective of this regulation review would be to replace some regulations with administrative policies, guidelines, and procedures to make current regulatory content less operationally complex.

IV. SCHOOL GRANTS REVIEW PROCESS

BACKGROUND

Alberta Education's current process for the review and development of new grants tended to be reactive and informal, except for procedures external to the Department. When new grants or modifications to existing grants were developed during the annual budgetary process, the procedures were more structured and rigorous. The process involved consultation and negotiation with Alberta Treasury, and required the approval of both the Priorities Committee of Cabinet and the Legislature.

When new grants or modifications are requested outside the normal budget process, a Request for Decision (RFD) is submitted for Cabinet approval. Initially, the RFD is developed within the Department and reviewed and approved by the Department's senior officials. After departmental approval, the RFD is submitted to a Cabinet Committee for final approval.

In many cases, new grants or modifications require an amendment to existing regulations. The legislation process requires that an amendment regulation be drafted in consultation with appropriate staff of the Department and the Attorney General's Department. The amendment then requires the Minister's approval for Ministerial Orders, or the Lieutenant Governor-in-Council's approval for Orders in Council.

PURPOSE

The purpose of the Project's third phase was to examine the procedures for developing new grants and for reviewing existing grants with a view to deregulation. The specific purpose of this phase was defined as follows:

> To review the development procedure for new grants with a view to replacement of regulation with administrative policies, procedures, bulletins and handbook which outline:
>
> a) the intent of the grant,
> b) the nature of the information to be collected and submitted,
> c) the information required from Boards,
> d) the information required from the Department, and
> e) the time period in which the foregoing will occur.

FINDINGS

Alberta Education's efforts in the area of deregulation are part of government's move towards the reduction and simplification of regulations. Furthermore, the other departmental initiatives and activities are highly linked and interrelated with grant simplification and deregulation. Once all of these related initiatives have been completed and implemented, administrative policies, guidelines, and procedures will be required for the development of prospective new grants and for the periodic review of existing grants.

PROPOSED POLICY GUIDELINES

The process for developing legislation is a complex process that has overburdened the administration and business of government. Consequently, subordinate legislation in the form of regulations has been developed where legislation was perceived impossible or unpractical. The use of regulations and administrative policies may be justified in terms of the following principles of delegation.

1. They are necessary to make the legislation clear and understandable.
2. Where it necessary to amend legislation to meet each changing circumstance, legislatures would be overburdened to the extreme.
3. Legislators cannot hope to have the technical knowledge and competence to deal with every pertinent detail covered by legislation.
4. Some legislative decisions are too emergent to await regular legislative procedures.
5. There is often a need to introduce some flexibility into the law in the interests of justice and common sense.
6. Contingencies often arise which require some more explicit direction than is provided in the pertinent Act of the Legislature.

Delegation of legislative authority and responsibility requires certain safeguards which may be described as follows:

1. The limits within which the delegated power is to be exercised ought to be definitely prescribed.
2. If any particular interests are to be specially affected by delegated legislation, the legislating authority should consult them before making its regulations or administrative policies.
3. Delegated legislation must receive adequate publicity.
4. There must be machinery for amending or revoking delegated legislation as required.

The principles of delegation and the legislative safeguards provide a basic justification and rationale for the use of either regulations or administrative policies. However, the use of regulations or administrative policies require the application of standard criteria.

1. **Statutory Criteria**

   a) That is it authorized by the Statute pursuant to which it is to be made.

   b) That it does not constitute an unusual or unexpected use of the authority pursuant to which it is to be made.

   c) That it does not trespass unduly on existing rights and freedoms and is not, in any case, inconsistent with the purpose and provisions of the Canadian Bill of Rights (Charter of Rights and Freedoms).

   d) That the form and draftsmanship of the proposed regulation or administrative policy is in accordance with established standards.

2. **Administrative Criteria**

   a) Whether its provisions raise important questions of policy or principle?

   b) How far it is founded on principle?

   c) Does it trespass unduly on individual rights or liberties?

   d) Does it make unusual or unexpected use of the powers conferred?

   e) Is its meaning clear or complex and contradictory?

   f) Does it have real or perceived impacts and costs upon the program or its clients?

   g) Is there sufficient availability of resources and information upon which to base decisions?

Proposed Decision-Making Parameters

The development of new grants may be viewed as an input-output decision-making process involving four basic phases: initiation, development, implementation, and evaluation. The fourth phase becomes important in terms of an ongoing evaluation and review of existing grants, the overall grants program, and the grants processing system.

The following decision-making parameters are viewed as useful for the ongoing development of new grants, or the review of existing grants.

1. **Initiation (Input Phase)**

   a) Problem or issue identification and definition
   b) Needs assessment
   c) Planning and analysis
   d) Proposal development and review

2. **Development (Process Phase)**

   a) Assessment of the situation
   b) Assessment of alternatives or options
   c) Establishment of priorities
   d) Decision-making

3. **Implementation (Output Phase)**

   a) Formulation of a policy statement
   b) Establishment of action plan
   c) Establishment of implementation plan for diffusing the decision

4. **Evaluation (Feedback Phase)**

   a) Validation or legitimation of decision
   b) Modification or refinement of policy or action plan
   c) Development of new proposals
   d) Identification of new problems, issues, or needs

PROPOSED SCHOOL GRANTS REVIEW PROCESS AND PROCEDURES

Prospective review of school grants would require an ongoing examination and evaluation of both proposals for new grants and existing school grants. The school grants review process would involve an element of program development and program evaluation, as well as a vehicle through which the evaluation, modification, expansion, and changes would be monitored, controlled and implemented.

The proposed school grants review process would involve the following procedural activities:

1. A proposal for a new school grant, or for modification of existing school grants, may be initiated by any division, branch or unit within the Department, or by any external organization.

2. If the proposal is initiated at the divisional level, task objectives would be specified and defined along with activity steps relating to the parameters of the initiation or input phase.

3. The initial proposal, task objectives and activity steps would be circulated to the appropriate branches for development, involving the parameters defined under the development or process phase.

   (**NOTE:** Internal and external consultation and involvement, if necessary, may be required during the developmental work.)

4. Upon completion of the developmental activities, a proposal or recommended action plan will be forwarded for consideration by the appropriate Assistant Deputy Minister.

5. The Assistant Deputy Minister will review the proposal and decide whether to proceed, reject, or return the proposal for further development or revision.

6. If the proposal is approved at the divisional level, the proposal will be forwarded for consideration by Education Officials who will decide whether to proceed, reject, or return the proposal for further development or revision.

7. If the proposal is approved by Education Officials, arrangements will be made for Ministerial approval and, if necessary, external approval such as legislation, RFD, Special Warrant, or regulation.

8. Upon final approval, the Department will formulate a policy statement, establish an action plan, and establish an implementation plan for diffusing the decision.

   (**NOTE:** Internal or external consultation and involvement, if necessary, may be required for implementation.)

9. The appropriate division within the Department will be responsible for an ongoing, periodic evaluation or audit of the school grants program and processing system. The purpose of the evaluation is to determine whether the existing program is functioning properly or requires modification.

   (**NOTE:** Internal or external consultation and involvement, if necessary, may be required for such evaluations.)

10. If an existing program requires modification, change or further development, or if a new grant is deemed necessary, the appropriate division, branch or unit will be responsible for the development of a proposal for review by the appropriate Assistant Deputy Minister.

The school grants review process provides a structured mechanism for ensuring continuous evaluation of existing grants for improvements. The process, however, requires effective cooperation and communication between Alberta Education and external organizations such as the Association of School Business Officials of Alberta (ASBOA), the Conference of Alberta School Superintendents (CASS), the Alberta School Trustees' Association (ASTA), and the Alberta Teachers' Association (ATA). Participation by external organizations during the development, implementation, and evaluation of the grants programs will maximize the efficiency and effectiveness of the program.

CONCLUSIONS

The current initiatives undertaken by Alberta Education are directed towards the improvement and simplification of school finance, its internal organization, program regulations, and the school grants program. Objectively, the current efforts are directed toward improving the operations of the Department, public access to its services, the efficiency and effectiveness of its programs and services, and its linkages with external organizations such as ASBOA, CASS, ASTA and ATA.

The review of the existing school grants program within the context of the current project is directed toward simplficiation and deregulation with the use of administrative policies and guidelines. The need for simplification can be rationalized as an improvement to the existing overburdened, costly, complex, and somewhat ineffective regulatory process. The replacement of regulations with administrative policies can be rationalized in similiar terms as those used to justify regulations; namely, the need to make legislation clear; the requirements of time; the technical nature of the subject matter; the need for flexibility; and emergent needs or contingencies.

The process of reviewing school grants, whether concerning new or existing grants, should include consideration of the following points: authority, publication, availability, consolidation, and revision. The current effort will result in the consolidation and revision of existing school grants through deregulation and simplification. Changes to the status quo requires the proper authority to deregulate and the proper notification (process) of the public and affected parties through policy directives. However, this process does not preclude participation by affected parties in the process which should normally exist in terms of ongoing consultation.

RECOMMENDATIONS

In concluding the discussion on a school grants review process, the Project Steering Committee made the following recommendations:

1. The proposed policy guidelines, including principles of delegation, legislative safeguards, statutory criteria, administrative criteria, and decision-making parameters, should be endorsed as policy guidelines for the Department's school grants review process.

2. The proposed school grants review process and procedures should be endorsed as the Department's school grants review process and procedures.

3. External organizations such as ASBOA, CASS, ASTA and ATA should be consulted and involved, if necessary and appropriate, in the development, implementation and evaluation of the school grants program and processing system.

4. Alberta Education, upon implementation of a simplified school grants program and processing system, review the existing regulations for the purpose of deregulation through the replacement of regulations with administrative policy, guidelines, and procedures.

5. Alberta Education should establish and maintain a consolidated registry of administrative policies, guidelines, and procedures relating to the school grants program, and should publish and distribute these policies, guidelines, and procedures in a manner similar to that of regulations.

V. SUMMARY OF RECOMMENDATIONS

This Chapter presents a summary of the Project Steering Committee's recommendations relating to the three phases or components of grant simplification and deregulation. The recommendations are presented according to the three phases of the Project.

PHASE I - COALESCENCE OF GRANTS

1. Alberta Education initiate a research study to examine the feasibility, desirability, and implications of coalescing Early Childhood Services support with the School Foundation Program Fund (Task Force Recommendation 16).

2. The Corporate Assessment Grant be allowed to terminate within the context of current policy (Task Force Recommendation 17(e)).

   NOTE: From 1980 to 1984 the province was to provide funding to public school jurisdictions to ease the decrease in amounts received from undeclared corporate assessment. Since 1980, separate school jurisdictions receive a share of undeclared corporate assessment on the basis of the number of pupils they serve.

3. Intern Teachers Grants, Establishment Grants, and the Vocational Education option grant (Section 10(3)) be discontinued (Task Force Recommendation 17(f)).

   NOTE: The Task Force excluded the Intern Teacher Grants in its recommendation. The discontinuance of the optional grant does not affect regular Vocational Education grants in any way. It merely eliminates an optional grant claiming process.

4. Canada Pension Plan allowances and Reading Materials Grants be coalesced with SFPF instruction grants (Task Force Recommendation 17(a)).

5. For the purpose of day-extension grants, students under the age of 21 be considered as pupils under the SFPF (Task Force Recommendation 17(g)).

6. Grants in support of Special Education Teaching Positions and Program Units be coalesced into a three level common per pupil grant formulation; this does not imply a reduced funding level (Task Force Recommendation 1).

7. The Educational Opportunites Fund (elementary and junior high components) be coalesced with the SFPF (Task Force Recommendation 17(d)).

   NOTE: The compensatory component of the Educational Opportunities Fund would continue separately. This component provides assistance to jurisdictions having a number of pupils who have special cultural or economic needs.

8. Teaching Housing Unit Grant be coalesced with the Location Allowance (Task Force Recommendation 17(h)).

   NOTE: Jurisdictions receiving location allowances (which cover costs to school boards for placing a teacher in a remote or isolated area) are also eligible for Teacher Housing Unit Grants. The Location Allowance will have to continue separately for those instances where no Teacher Housing Unit Grant is involved but a teacher receives location expenses.

9. The Learning Disabilities Fund be coalesced with the SFPF. Implementation of this recommendation does not imply a reduction in funding or support for this program (Task Force Recommendation 17(b)).

   NOTE: The Task Force recommended that the Learning Disabilities Fund be combined with either the proposed special education per pupil grants (Recommendation 1), or with the SFPF grants, whichever is deemed more advisable.

10. Should any grants be coalesced with the SFPF grants, the per pupil grant weighting factors under the SFPF be redefined (Task Force Recommendation 10).

The Task Force recommended (Recommendation 17(c)) that the 3% Administration Support grant in the SFPF be combined with the other SFPF grants.

PHASE II - REVIEW OF GRANTS PROCESSING SYSTEM

1. **Reimbursement for Transportation Allowances Paid to Agent (SFPF, Part B, Section 7 (1))**

   The SFPF Regulations, Part B, Section 7(1) should be revised so that the claim may be based on the number of pupils transported multiplied by a daily route for each instructional day for which transportation is provided.

2. **Reimbursement for Allowances in Lieu of Regular Transportation Paid to Parent or Guardian (SFPF, Part B, Sections 7(2) and 7(3)(b))**

   The reimbursement for allowances in lieu of regular transportation paid to parent or guardian should be coalesced with the reimbursement for allowances in lieu of transportation paid to agent. Also, the weekend transportation grant sub-category should be claimed under the maintenance allowance paid to parent or guardian.

3. **Reimbursement for Transportation Allowances Paid under Contract to Parent or Guardian (SFPF, Part B, Section 8)**

The claim for reimbursement for transportation allowances paid under contract to parent or guardian should be modified so that the grant may be claimed and paid on the basis of the lesser of actual costs and a specified rate without listing the names of pupils transported.

4. **General - Allowances in Lieu of Transportation**

The present system of claim forms that are separate from the Audited Financial Statement should continue for the "Allowances in Lieu of Transportation" grant categories.

5. **Rural Transportation (SFPF, Part B, Sections 4 and 5)**

The grant allocation for inclement weather days in the rural transportation grant category (SFPF, Part B, Section 4(2)(a)) should be deleted, and inclement weather days during which buses may not start or complete regularly-scheduled runs should be considered as normal transportation operating days.

6. **Special Education Funding**

A four-level funding mechanism for Special Education programs, ECS to Grade XII, should be introduced to replace the current Special Education Teaching Position funding method.

7. **Special Education Program Unit Approval**

Where jurisdictions have access to personnel providing pupil assessment services, the placement of pupils in Special Education Program Units should be approved at the school board level. Where jurisdictions do not have access to personnel, Alberta Education should approve the placement of pupils in program units.

8. **Special Education Program Unit Grant**

All program units in a jurisdiction should be treated as one for the purpose of claiming grant-eligible costs and for allocating funding at the jurisdictional level. Eligible expenditure limits for materials and special equipment should be maintained as an aggregate of the limits for the individually-approved units. Also, the deduction of the SFPF per pupil grant for each pupil in a program unit should be discontinued.

9. **Special Education Day Extension Program Claims**

The Special Education Day Extension Program claim form should be revised to report pupil enrolment in the program and the grant entitlement.

10. **Day and Evening Extension Program**

The present regulatory provisions for Day and Evening Extension Program Grants should be revised to enable claiming of Extension Program Grants on the basis of enrolments, credit values, and hours of instruction by course.

11. Vocational Education

Vocational Education funding should be extended to all Grade X-level vocational education courses based on a rate per credit enrolment unit (C.E.U.) equivalent to 50% of the C.E.U. rate for Grade XI and XII - level courses, and the claim form should be revised to report enrolments and credit values per course rather than credits per pupil.

12 Location Allowance/Teacher Housing Unit Grant

a) The basis upon which the Location Allowance is calculated should be changed from percentage increases of previous year's entitlement to dollar amounts per teacher and per isolation "point" where applicable.

b) The Location Allowance claim form should be revised to report: name of school, number of teaching positions at the school, points for each teaching position, and number of occupied housing units at each school. Also, submission of cost information should be required on a periodic basis only.

c) The Teacher Housing Unit Grant should be based on a fixed percentage per housing unit for the school for example, 40% of the Location Allowance rate.

13. Special Education Out-of-Province

The present claim form for Special Education Out-of-Province grants should be revised to report the following for each pupil: name of school, name of pupil, number of months attended, total instruction and maintenance expenses, total travel expenses, and total costs claimed. Also, consideration should be given to reducing the volume of supporting documentation.

14. Interdepartmental Community School Grant

The Interdepartmental Community School grant should be claimed through a process which would allow a board to treat all community schools in its jurisdiction as if they were one community school.

15. Educational Opportunities Fund - Compensatory Component

The present claiming process for EOF compensatory projects should be retained, and program and budgetary approval should be based on a school board fiscal year.

16. Grant Adjustments (Overpayments and Underpayments)

Grant adjustments, both overpayments and underpayments, amounting to less than $50 should not be claimed, processed, or paid by either Alberta Education or school jurisdictions.

17. Fiscal Year of School Boards

Consideration should be given in the prospective School Act Review and the County Act Review to a change, in the present school board fiscal year, from a January to December period to a period which coincides more closely to the school program year.

18. Direct Deposit of SFPF Payments to Boards

SFPF payments to school boards should be transferred through a direct deposit system.

19. Reading Materials Grant to Category 1 Private Schools

The reading materials grant to Category 1 private schools (AEGO, Section 22(2)) should be coalesced with the Category 1 private schools instructional grant (AEGO, Section 22(1)).

20. Eligibility Language Program under the Small School Assistance Grant

The eligibility of language programs as individual small schools under the provisions of the small school assistance grant (AEGO, Section 38(1)(e)(i)(a)(b)) should be discontinued.

21. Administration Grant (SFPF, Part C, Section 15)

The administration grant should be coalesced with each of the SFPF grant categories in which it now occurs through an adjustment of the rates. Where the entitlement is based on the lesser of actual costs and a specified rate, calculation of the actual costs should include an additional 3% to reflect the administration grant.

22. Supplementary Requisition Equalization Grant (SREG)

An additional form should be included with the SREG submission to assist boards in reconciling resident pupil enrolments where pupils resident in one jurisdiction are educated in another.

23. Pupil Transportation in Vehicles Other than School Buses (SFPF, Part B, Section 9)

The present claim form should be modified to report: number of grant-eligible pupils transported, number of ineligible passengers, number of families from which eligible passengers are transported per vehicle, route eligible distance per route, number of transportation days per vehicle, the grant per day per vehicle, and the total grant claimed per vehicle.

24. Assessment and Review Mechanism

An assessment and review mechanism should be developed for the purposes of periodically reviewing existing grants, and of an ongoing examination of proposals for new grants by Alberta Education and referent groups.

25. Review of Audited Financial Statement and Program Accounting Budgeting

Upon implementation of the other recommendations, a review of the current Audited Financial Statement and the Program Accounting Budgeting System, as well as post-audit requirements, should be conducted with the objectives of defining and specifying the information requirements and accountability mechanisms, and of improving and simplifying the information reporting and accountability mechanisms such as post-audit.

26. Regulation Review

The sections of the School Act and all regulations governing the grants program and processing system should be reviewed and revised where feasible. The objective of this regulation review would be to replace some regulations with administrative policies, guidelines, and procedures to make current regulatory content less operationally complex.

PHASE III - SCHOOL GRANTS REVIEW PROCESS

1. The proposed policy guidelines, including principles of delegation, legislative safeguards, statutory criteria, administrative criteria, and decision-making parameters, should be endorsed as policy guidelines for the Department's school grants review process.

2. The proposed school grants review process and procedures should be endorsed as the Department's school grants review process and procedures.

3. External organizations such as ASBOA, CASS, ASTA and ATA should be consulted and involved, if necessary and appropriate, in the development, implementation and evaluation of the school grants program, and processing system.

4. Alberta Education, upon implementation of a simplified school grants program and processing system, reviewed the existing regulations for the purpose of deregulation through the replacement of regulations with administrative policies, guidelines, and procedures.

5. Alberta Education should establish and maintain a consolidated registry of administrative policies, procedures, and guidelines relating to the school grants program, and should publish and distribute these policies, guidelines, and procedures in a manner similar to that of regulations.

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APPENDIX A

TERMS OF REFERENCE

FOR

THE SCHOOL GRANT SIMPLIFICATION AND DEREGULATION PROJECT

Preamble

The purpose of the project is to achieve, pursuant to these terms of reference, further grant simplification through the study of alternative methods for grant processing and deregulation. In carrying out this project, field input will be sought at appropriate stages. Other related matters as deemed necessary will be sought at appropriate stages. Other related matters as deemed necessary by the Steering Committee may be reviewed. Any proposed changes will include a review to ensure that any new procedure will be an improvement over the existing one.

1. Review of the Present Situation

(1) To review the intent or policy fidelity of existing grants and their underlying accountability principles together with associated accounting and audit principles reflected in the Auditor General's Act and the Financial Administration Acts: Do the existing legislation, regulations, and policies permit more streamlining (efficient disbursement processes) than are currently practiced?

(a) To assess whether "unit cost" is a necessary factor in determining the grant amount for example, "flat grant" vs. "cost recovery" ("up to") grants.

(b) To assess the structure of each grant in order to determine its efficiency and effectiveness in accomplishing the objectives which it was designed to achieve, for example, BQRP and Vocational Education grants.

(2) To review existing grant claim and approval procedures.

(a) To examine existing applications for approval and the grant claim to determine where duplication of information exists. (For example: Can the application and form be combined?)

(b) To determine which information requested on the grant claims is necessary for the payment of the grant and which information is necessary to satisfy audit requirements under existing regulations.

(c) To assess the feasibility of staggering claim periods to a greater degree in order to level out work loads both at the local and Department levels.

(d) To review present reporting and payment periods and develop alternatives in order to determine optimal reporting and payment periods.

(3) To assess the information base on which the grants are paid in order to have available the information required by Boards to claim grants.

(a) To determine the degree to which costs for various programs are segregated in the accounting records (a duplication of information).

(b) To examine information requirements in schedules to be completed in the Audited Financial Statements.

(c) To undertake periodic inspection of reporting and audit standards.

(d) To examine supporting documentation requirements for claims to determine the documentation required to verify costs.

(4) To review the development procedure for new grants with a view to replacement of regulation with administrative policies, procedures, bulletins, and handbooks which outline:

(a) the intent of the grant,

(b) the nature of the information to be collected and submitted,

(c) the information required from Boards,

(d) the information required from the Department, and

(e) the time period in which the foregoing will occur.

2. **Assessment of Alternatives**

(1) To identify possible alternatives to accomplish the intent of existing grants by:

(a) eliminating small grants,

(b) rounding grants (for example, to the nearest hundred dollars),

(c) coalescing various per pupil grants and possibly others with the SFPF instructional grant,

(d) modify the claim process:

- eliminate claim forms for some grants,
- combine application for approval and claim where feasible,
- monitor program cost through the Audited Financial Statement, and
- combine minimum reporting on claim with Field Administrative Officer monitoring,

(e) providing in the development of a new grant for the coalescing of the grant into the SFPF after initial establishment years,

(f) implementing more internally (Alberta Education) calculated grants using the existing data base; for example, the debenture file,

(g) combining "like types" of grants; for example, special education,

(h) making more use of existing data for grant payment; for example, Form A,

(i) using attestation and certification on grant claims, and

(j) consolidating the School Foundation Program Fund and the School Grants Regulations.

(2) To expand the role and utilization of policy/administrative guidelines as an alternative to legislation and formal regulations.

(3) To work in cooperation with the Task Force on School Finance.

3. Recommendations

To propose recommendations arising from the review of the present situation and to consider alternatives.

4. Structure of the Project Steering Committee

(1) Alberta Education

(A) Finance and Administration Division (4 members)

(a) Assistant Deputy Minister who serves as Chairman

(b) Director of Financial and Administrative Services

(c) Associate Director of Financial Planning

(d) Manager of Grants Administration

(B) School Business Administration Services (1 member)

(C) Planning Services (Liaison) (1 member)

(2) Auditor General's Office (1 member)

(3) ASBOA (4 members: large and small urban; large and small rural)

(4) Institute of Chartered Accountants (1 member)

(5) Controller's Office (1 member)

A recording secretary will be provided by the Finance and Administration Division.

APPENDIX B

MEMBERSHIP OF

THE SCHOOL GRANT SIMPLIFICATION AND DEREGULATION PROJECT

Alberta Education

Dr. Bill Duke (Chairman)
Assistant Deputy Minister
Finance and Administration Division

Dr. John Myroon
Director
Financial and Administrative Services

Mr. Deryk Norton
Associate Director of Financial Planning

Mr. Jack Clarke
Acting Associate Director of Financial Planning

Mr. Gary Baron
Manager of Grants Administration

Mr. Kelvin Hussey (Executive Secretary)
Executive Assistant to the Assistant Deputy Minister
Finance and Administration Division

Dr. Neil Gannon
Director of School Business Administration Services

Dr. Wes Eddy
Education Consultant, Planning Services

Auditor General's Office

Mr. Ken Smith
Assistant Auditor General

Association of School Business Officials of Alberta

Mr. Dave van Tamelen
Secretary-Treasurer (Peace River School Division No. 10)

Mrs. Donna Watson
Secretary-Treasurer (Camrose R.C.S.S.D. No. 60)

Mr. Jerry Jenkins
Superintendent of Finance - Treasurer (Calgary Board of Education)

Mr. Orville Borys
Secretary-Treasurer (Leduc School District No. 297)

Institute of Chartered Accountants of Alberta

Mr. Fred Barth
(Price Waterhouse)

Controller's Office, Alberta Treasury

Mr. Terry Burns
Director of Disbursement Control